



# Legislative Research Council

# MINUTES

## Legislative Planning Committee

**Representative Scott Munsterman, Chair**  
**Senator Mike Vehle, Vice Chair**

**Eighth Meeting**  
**Interim Committee**  
**July 11, 2013**

**Room 414**  
**State Capitol**  
**Pierre, South Dakota**

### **Thursday, July 11, 2013**

The eighth meeting of the Legislative Planning Committee was called to order by Chair Munsterman, at 10 a.m. (CDT) in Room 414 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Representative Scott Munsterman, Chair; Senator Mike Vehle, Vice Chair; Senators Tom Jones, Bruce Rampelberg (via telephone), and Ryan Maher; Representatives Jacqueline Sly and Susan Wismer (via telephone). Members excused: Senators Corey Brown and Billie Sutton; Representatives Kristin Conzet and Brian Gosch.

Staff members present included James Fry, Executive Director; David Ortbahn, Principal Research Analyst; and Cindy Tryon, Legislative Secretary.

(NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was web cast live. The archived web cast is available at the LRC web site at <http://legis.state.sd.us> under "Interim Information – Current Interim – Minutes and Agendas.")

### **Approval of Minutes**

**SENATOR VEHLE MOVED, SECONDED BY REPRESENTATIVE SLY, TO APPROVE THE MINUTES OF JUNE 3, 2013. The motion prevailed unanimously on a voice vote.**

### **Opening Remarks**

**Representative Scott Munstermann, Committee Chair**, welcomed everyone to the meeting and said that today's agenda is extensive and thanked all the presenters for taking the time to meet with the committee.

### **Workforce Development at SD Technical Institutes**

**Ms. Julie Brookbank, Director of Marketing, Mitchell Technical Institute**, gave a PowerPoint presentation regarding workforce development ([\*Document #1\*](#)). Ms. Brookbank said that workforce development is not just an education issue or an industry issue, but it is an issue that affects our entire state.

Ms. Brookbank said a few reasons South Dakota businesses cannot find enough skilled workers are: 1) South Dakota is one of several states in the upper Midwest with a decline in high school graduates, and that could continue for the next ten years; 2) baby boomers are starting to retire; and 3) there is a dramatic increase in surrounding states going after South Dakota's skilled workers.

Ms. Brookbank said some of the areas where there is a workforce shortage are specialty trades, mechanics, truck drivers, line supervisors, and welders. She added that there will be a need for at least 300 welders in the City of Mitchell by the year 2020.

Ms. Brookbank also reported that South Dakota's tuition to technical institutes is higher and opportunities for students to receive state aid are fewer than in surrounding states. This means that many young people go out of state to attend a technical institute, and more often than not, after graduation a student remains where they received their education.

Another issue that technical institutes face today, according to Ms. Brookbank, is that because there are not enough skilled workers coming out of the technical institutes, wages increase as a way to lure workers from elsewhere. These higher wages attract the technical schools' faculty members which creates the challenge of finding enough good teachers.

In response to a question, Ms. Brookbank said that there is a need to get kids excited and parents informed about the areas where jobs will be more available when the child finishes his or her education. The young people need to know about all the opportunities available to them.

**Senator Mike Vehle** asked about scholarships and if there is a way to tie scholarships to employment in the state. Ms. Brookbank replied that by partnering with businesses and offering financial assistance through scholarships, the technical institute can make it more appealing for the student to stay in South Dakota for training and then they move into employment with that partnering business. The key is not to lose them to begin with but to encourage them to stay here.

In response to a question, Ms. Brookbank pointed out that the technical institutions do not have access to the same information that the regential schools have regarding high school students. Because of that, it is more difficult for the technical schools to get information to prospective students.

**Senator Ryan Maher** asked if legislation is needed to give the technical institutions the same access to high school records as the regential schools have. **Mr. Mark Wilson**, President, Western Dakota Technical Institute, Rapid City, said that legislation would have to be enacted to make that happen. He said that there is a student learning plan that high school students complete. That program provides information on career opportunities in which students are interested. That information is only provided to four-year schools, not to technical institutions. Mr. Wilson said that he had drafted a piece of legislation regarding this issue several years ago, but that draft never got out of the Department of Education. Senator Maher asked Mr. Wilson if he could get a copy of that draft.

**Senator Tom Jones** said that the technical institutes having to hire second level instructors because of low wages is very disturbing. He added that this also happens in elementary and high schools. He said that this is an important point that needs more attention.

**Ms. Deb Shepard, President, Lake Area Technical Institute, Watertown**, talked to the committee about workforce demands in South Dakota. Ms. Shepard said there is a definite skills gap between available jobs and available workers, and that gap is going to continue to grow. She added that there may be workers available out there but they do not have the skills to do the jobs that are available. She continued by saying that right now the big focus on the lack of skilled workers is in manufacturing, but the need for computer people keeps growing, too.

Ms. Shepard said that the statistics put out by the Department of Labor are underestimated because the needs change so quickly and there is no way to keep up or predict where those changes will occur.

Ms. Shepard said that high school students do not have exposure to all their career options. She added that a lot of technical programs have had to be cut in the smaller high schools because of the lack of funding. She said that Sioux Falls schools have wonderful programs available for students with an interest in technical skills. Those opportunities need to be offered to all students in South Dakota. She said that the technical institutes do as much outreach to the high schools as is allowed.

Ms. Shepard said that during the Janklow administration, the Governor's Office of Economic Development would provide the technical institutes up to two million dollars a year for new equipment. With that funding no longer available, there is a hole that the institutes now face and it is very expensive to keep the equipment up to date.

Ms. Shepard said that a few things they are doing now are: on-line outreach programs for older students – these programs mean that the student can continue working while getting their education; partnering with businesses for several different things, including lab work actually being done at the business' location; and, working with employers to improve their images so that students are attracted to those jobs. Another thing taken into consideration when recruiting is the fact that younger kids today do not want to move far away from their parents and that can help businesses attract local students.

Ms. Shepard said that one benchmark that would show success is that the screaming would stop. She said that she cannot attend a meeting without hearing from business people asking for help in meeting their workforce needs. She said that when things start to improve, she will hear fewer complaints from those businesses. When told that it is hard to gauge screaming, Ms. Shepard said that in order to establish benchmarks, businesses need to have input. It is the businesses that would know how to measure results for workforce development.

Before taking questions, Ms. Shepard said that they are doing the best they can with what they have to try and meet the need.

**Mr. Mark Wilson, President, Western Dakota Technical Institute, Rapid City**, gave his list of the top five areas where the technical institutes need help:

1. Equipment resources – when a technical institution gets a new building, there is a bonding process. However, once the new building is complete, they need to be able to staff it and equip it. He said that some make the equipment part of the bonding process but the equipment needs to be constantly updated;
2. Scholarship opportunities – 80% of the students attending technical schools have financial needs;
3. Per student allocation – the way the distribution formula is set up today, it is hard to maintain equipment and pay faculty a competitive salary;
4. Facilities – a majority of the costs for maintenance and repair of the facilities is being impacted on the students; and
5. Dual enrollment – currently they are serving fifty students through the dual outreach with secondary schools.

In response to a question, Mr. Wilson said that dual enrollment allows the high school student to earn credits while still in high school which helps attract the student to the technical institute after high school graduation. The high school student can earn up to 14 college credits that can be used toward completion of a program at the technical institute.

Mr. Wilson said that Western Tech has an over 90% placement rate and 90% of those stay in South Dakota.

**Representative Susan Wismer** asked about the challenges the technical institutes have recruiting quality instructors. Representative Wismer said that quality instructors will leave for higher paying jobs and lesser educators are then hired into those positions and the students lose interest because they are not happy with the instructor. She asked about preparing students to teach at technical institutes.

Ms. Shepard said that there was a class at SDSU but it was very expensive and was cut. She said that Mount Marty tailors a program to prepare instructors for technical institutes. Ms. Shepard added that all of the schools have had the problem of losing an instructor late in the year and have had to scramble to find someone to replace that instructor at the last minute.

**Mr. Josh Svatos, Executive Director, Regional Technical Education Center (RTEC), Yankton**, gave a PowerPoint presentation, “*Grow Your Own Workforce*” ([Document #2](#)). Mr. Svatos said that RTEC does not receive any state funding other than a few grants.

Mr. Svatos said that to address the workforce shortage, RTEC starts in the middle schools, not just the high schools. They also attend job fairs, work with business and industry, and partner with local chambers of commerce. Mr. Svatos also said that they have a population of students who have graduated from another school but come to RTEC to receive education for the skilled jobs that are available.

Mr. Svatos said that one of their programs is the RTEC Manufacturing Academy. Through this program, high school students come for two weeks in the summer following the end of the school year. These students learn about the various opportunities in the manufacturing

industry. One hundred forty-four students have successfully completed the program since it started in 2007. RTEC receives no state funding and it costs about \$10,000 a year to run the program. It is funded by local businesses and the students do not pay to attend.

Mr. Svatos said that RTEC offers customized classes that include basic skills, how to work independently or as a team, and help with job readiness skills. The classes are designed to contribute to student success.

Mr. Svatos said that RTEC would not exist without its partners. He said that in 2012 RTEC received a \$100,000 grant from the Community Development Block Grants (CDBG) plus \$60,000 from the communities of Winner, Gregory, Lake Andes, Freeman and Yankton, to get RTEC's welding program up and running. There have been 53 students trained through this program of which 38 are now employed in welding related jobs. In addition to that, RTEC took the welding simulator to thirteen school districts and worked with over 380 students, exposing them to the career of welding.

Mr. Svatos said that RTEC is always looking for more ways to expose students and teachers to technical education opportunities. He added that forming partnerships is one of the answers to the workforce development issues South Dakota now faces.

**Ms. Kellie Ecker, Executive Director, Northeastern Work and Technical Center, Inc. (NewTec), Aberdeen**, was joined by **Mr. Bob Compton and Ms. Julie Johnson, NewTec board members**, for her PowerPoint presentation, *"NewTec, Inc. The Training Place"* (**Document #3**).

NewTec was formed in 2009 and was modeled after RTEC. NewTec's goal is to "provide cost effective and high quality training to meet the demands and needs of area employers". Their core classes include commercial drivers license; CNA program; wire-feed welding program; VRTEX virtual welding simulator; and computer training. In addition, they offer LEAN Manufacturing, fork lift safety, hydraulic safety, leadership and supervisory, OSHA safety, and workplace Spanish. NewTec does offer some online classes.

NewTec is funded mostly by grants, partnerships with businesses and individual students; there is no state funding. Mr. Compton added that NewTec's mission is to customize training to fit the needs of employers and overall workforces.

Senator Vehle asked who pays for the instructors at NewTec. Ms. Brookbank said that the instructor is a full time employee of Mitchell Technical Institute.

Mr. Svatos added that the GOED grants are very critical for both RTEC and NewTec. He said that the programs offered through RTEC and NewTec are what economic development is all about.

Senator Vehle said that more students are needed. He asked if the technical schools do recruiting outside the state. Ms. Shepherd said that their recruiting is mostly done in-state. She added that they do reach out to high school students in some communities just across the borders.

Ms. Ecker concluded this portion of the agenda by saying the image of technical jobs needs to change. Potential students need to be aware that there is a great ability to earn a very good living in these jobs, such as welding and machining. They need to learn that the standard of living that can be attained after going through a technical school is excellent.

### **Employment Opportunities for Returning Veterans**

**Ms. Sarah Bierman, State Director, South Dakota, Veteran's Employment and Development, US Department of Labor**, gave a PowerPoint presentation, "*U.S. Department of Labor, Veteran Employment and Training Service (VETS), Integrated Employment Programs and Services for U.S. Veterans*" (**Document #4**). The P3 campaign states that in order for U.S. Veterans to find meaningful employment opportunities, they must be **Prepared** to enter the workforce, **Provided** resources to find employment and their rights must be **Protected** once they find employment.

It is now mandatory for almost all separating service members to attend a three-day training for getting back into the workforce. Each member leaves the training with a resume in hand.

Other programs offered through Ms. Bierman's office are: Homeless Veterans Reintegration Program (HVRP); Homeless Veterans Stand Down; Veterans Retraining Assistance Program (VRAP); Work Opportunity Tax Credit (WOTC) – employers can receive a tax credit for hiring veterans; Veterans Employment Opportunities Act of 1998 (VEOA); and Uniformed Services Employment and Reemployment Rights Act (USERRA).

**Representative Jacqueline Sly** asked how frequently the U.S. Department of Labor has to intervene in veterans' labor disputes. Ms. Bierman said that in South Dakota it is usually just contacting the employer and letting them know there is a problem. The problem is usually then corrected without further action. Ms. Bierman added that she does a lot of outreach so that employers are aware of the laws and rules which helps keep the number of problems very low.

**Larry Zimmerman, Secretary, Department of Veterans Affairs**, distributed a pamphlet, "*Apprentice & On-the-Job Training and VA Education Benefits*" (**Document #5**). Secretary Zimmerman said that his department's new mission statement is "Voices for Veterans". He said that there are approximately 75,000 veterans in South Dakota. There are 150 trainees in their On the Job Training program, which is essentially the same as what used to be called the GI Bill. He said that South Dakota is number one in the nation per capita for taking part in this program.

In response to Senator Vehle's questions, Ms. Bierman said veterans have preference when applying for a state or federal government job. The State of South Dakota guarantees that a veteran will receive an interview when applying for a state position. The federal government must complete a pass over form if not selecting an applying veteran. These veterans' preferences do not expire.

### **Workforce Development Council and WINS**

**Ms. Kim Olson, Policy Advisor, Office of the Governor**, met with the committee to discuss the Governor's Workforce Development Council and the SD WINS Initiative. Ms. Olson

distributed a page from their website containing information about the workforce development council and listing the council membership (**Document #6**). Ms. Olson said the council has been meeting on a quarterly basis since 2011.

Ms. Olson said the South Dakota Workforce initiatives (WINS) program is designed to address the challenges employers are facing when trying to find skilled workers. Ms. Olson distributed a document containing graphs that give a snapshot of what they are doing (**Document #7**). Ms. Olson said that they have contacted the Center for Labor Marketing to learn how other states process their job data and get recommendations on how the Governor's office can better compile and report this information for South Dakota.

Ms. Olson said that Senator Vehle's request for dashboard indicators is under discussion and they hope to have some type of response to that request sometime this fall.

Ms. Olson distributed a handout describing the four areas the WINS program is focusing on (**Document #8**). Those areas are: 1. Preparing Our Youth, 2. Training for Skilled Workers, 3. Promoting Rural Health Occupations, and 4. New South Dakotans.

Ms. Olson reported that the first year of this program has just been completed and the data is being put into report form to be presented to the Governor and the Legislature. She said that the report should be completed sometime in August or September.

Representative Wismer asked about the recruiting contract and if any progress had been made. Ms. Olson said that there have been some successes and some failures. She added that South Dakota businesses need to have more competitive salary packages or offer better relocation incentives for recruiting new employees. She said that 45 companies have been participating in the program, some more actively than others.

Representative Wismer said that one of South Dakota's deficiencies is the growth of human resources departments, not within state government but with the private sector. Representative Wismer said that out-of-state companies seem to do a much better job of recruiting our college graduates and that South Dakota businesses must learn how to be competitive in that area.

### **Governor's Task Force on Primary Care Workforce Update**

**Ms. Deb Bowman, Senior Advisor, Governor's Office** and **Secretary Doneen Hollingsworth, Department of Health**, distributed a list of the members of the Governor's Primary Care Task Force Oversight Committee (**Document #9**), the *Governor's Primary Care Task Force Final Report, December 2012* ([Document #10](#)), and the Governor's Primary Care Task Force Recommendations Workplan (**Document #11**).

A significant part of the WINS initiative is related to health care in rural areas. Because of that significance, the Governor established a task force to look at the issue more in-depth. That task force came up with a list of recommendations, which can be found in the Final Report, and there is now an oversight task force to oversee the implementation of those recommendations.

One program that came from this task force is the Frontier and Rural Medicine (FARM) program. Through this program, third year medical students are invited to intern in Milbank, Platte, Mobridge, Parkston, or Winner for nine months. Nine students have already signed up for this program. The hope is that they will become a part of the community and want to return there after graduation. Only a community with a hospital can be included in the program.

The Physician Assistant program at USD has been expanded to 25 students, of which 20 slots are for South Dakotans.

Ms. Bowman said that the task force will be discussing how to best measure their success at the meeting to be held in late July. Ms. Bowman said that she would be happy to report on what the task force decides at the next Legislative Planning Committee meeting.

### **American Association of Retired Persons – Re-Careering**

**Mr. Dennis Eismach**, Volunteer President of AARP South Dakota and a member of the National AARP Council and **Ms. Leni Healy** from the AARP office in Sioux Falls gave a PowerPoint presentation, *“Overview of AARP’s Workforce Resources: The Changing Look of the Workforce” (Document #12)*.

Mr. Eismach said that AARP has been involved for many years in helping people reposition into the workforce after retiring. He said that the National AARP office would be happy to meet with the Legislative Planning Committee in the future.

Life Reimagined, an AARP program, is a talent exchange designed to help companies find experienced, qualified workers.

Ms. Healy said that AARP honors employers who guarantee a comfortable workplace for those over the age of 50. Fifty employers from across the country are honored every year and Avera Health Systems was #35 this past year.

If people are able and want to go back to work after retirement, AARP can provide assistance. The average Social Security check in South Dakota is \$1,200 per month, which means many seniors have to work in order to survive. Seniors also may need to return to work to receive health insurance.

One issue seniors face when going back to work is the flexibility to use sick leave to care for others, as seniors are often caregivers. Another issue they face is discrimination.

**Senator Bruce Rampelberg** asked if AARP coordinates with other agencies regarding workforce development. Mr. Eismach said that they do not at this time but starting a dialogue with those groups would make sense.

Ms. Healy said that AARP uses the Internet program LinkedIn for posting jobs and seniors posting their resumes. This program then compiles a list of qualified seniors for the employer and sends information about the job to the qualified senior. Ms. Healy said that she does not know of any South Dakota businesses that use the LinkedIn program, but that they are just starting to promote the LinkedIn program.



Mr. Eisnach said that many South Dakotans do not realize that the national AARP programs apply to us here. He said that the South Dakota chapter needs to make getting the word out on these programs a priority. He said that they need to work on promoting the LinkedIn program here in South Dakota.

### **Next Meeting**

The next meeting was scheduled for Wednesday, August 28, 2013. The committee will continue to meet with state agencies and talk about dashboard indicators at the August meeting and then start brain storming for the planning brief at the September meeting.

### **Adjourn**

**SENATOR VEHLE MOVED, SECONDED BY SENATOR RAMPENBERG, TO ADJOURN. The motion prevailed unanimously on a voice vote.**

The committee adjourned at 4:30 p.m.



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